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but the author neglects to give the date of the original passage of the clause by the Senate and by the House, as well as the date of the final passage of the bill after it emerged from conference. Finally, in a chapter on the legislative history of the commodities clause as much space is given to a proposed resolution to investigate the coal situation as to the commodities clause itself.

ELIOT JONES.

University of Texas.

Railroad Valuation and Rates. By MARK WYMOND. (Chicago: Wymond and Clark. 1916. Pp. 344. \$1.50.)

This book is the work of an engineer familiar with the promotion, engineering, construction, and operation of railroads, as well as with the preparation of rate schedules. It contains facts and figures designed to show that the fair value of railroad property is greater than can be obtained by the methods of valuation employed in the past, and that the rate of return should be made higher than is usual at the present time. Furthermore, arguments are presented in an attempt to prove that cost of service can enter only to a limited extent as a factor in the preparation of railroad rate schedules.

The book is of special interest at the present time for the reason that most of the questions therein discussed are still in controversy before the Interstate Commerce Commission. Such an honest and clear statement of facts should do much to convince the partisans for the public of the injustice of many of their contentions. The success of the railroads of the country is essential to the prosperity of the public and the nation as a whole, and the future welfare of the country is better assured by a full acceptance of such evidence as Mr. Wymond presents than by the adoption of many of the radical doctrines at present held by those who consider that, by restricting the value of railroad property, by establishing a lower rate of return, and by the preparation of rate schedules based on actual cost of service, they are safeguarding the interests of the public against what they contend are the extortionate demands of the railroads.

Mr. Wymond's work is not a brief for the railroads. It is rather a recapitulation of all of the expenses which the railroads have incurred in creating their properties and of the various

factors which must be considered in the preparation of rate schedules. There is nothing of the nature of a legal argument in it, if we except a few quotations from court decisions to support certain contentions. It is a simple, sincere, and direct statement of facts by a man of wide railroad experience, who appears to be convinced of the justice of the claims of the railroads for larger returns and for rates based on value of service and only indirectly on its cost.

On the other hand, when the great present interest in this subject is considered, it is a question whether some recognition could not well have been made by Mr. Wymond of the obligations of the railroads to the public. It is impossible for the public at large or for its representatives on railroad and public service commissions to accept many of Mr. Wymond's contentions, such as that the railroads of the country are not subject to rate regulation except in so far as unjust and discriminating rates are concerned; that the interest of the public in a railroad is no different from its interest in many private enterprises; that a railroad is not a monopoly but in many cases has "good will," the value of which should be made a portion of the value upon which fair rates can be based; that abandoned permanent construction should be now included as a portion of the present value of the property, together with property owned by the company but not yet useful; and that if maintenance is normal there can be no depreciation of railroad property as a whole. These and many similar contentions seem to disregard the interests of the public to such an extent that it is to be regretted that Mr. Wymond does not find any basis for the claim of the public that, in view of the rights given to the railroads, the government should be entitled to see that the charges for service as a whole are not unreasonably high.

Apart from these partisan views, Mr. Wymond's book contains much that is of definite value to those interested in appraisals of public utility property. Especially to be commended are the earlier chapters dealing with preliminary costs, such as "promotion," preliminary engineering, and financing. Expenses of this character have been large in the experience of most railroads and would be large if the railroads were to be reproduced today. Proper recognition of these expenses and sufficient allowance for them have rarely been made in past valuations.

HAMMOND V. HAYES.